



PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

EMPLOYMENT TRENDS

For one picture of the recession's toll on the Panhandle economy, a look at unemployment insurance claims and the *Jobs by Place of Work* statistics in Panhandle Table 1. Since late September, newly unemployed people have inundated the five Job Service offices serving the Idaho Panhandle. Initial claims for unemployment insurance rose to 2,258 in October—87.5 higher than the 1,204 initial claims in October 2000 and 109.9 percent higher than the 1,076 initial claims in October 1999.

The *Jobs by Place of Work* shows large job losses in *Goods-Producing Industries*, which in turn caused job losses in *Transportation* and *Wholesale Trade*.

Between October 2000 and October 2001, *Mining* employment fell from 1,000 jobs to 640 jobs. Last winter's closure of the Sunshine Mine near Kellogg caused about 220 of those job losses. The late October layoff of more than 80 people at the Lucky Friday Mine near Mullan is not reflected in the numbers because employment statistics always are calculated for the week containing the twelfth of the month. Following the Lucky Friday Mine layoff, *Mining* employment fell to its lowest level in more than 110 years.

Construction employment fell to 4,930 jobs in October, falling below the October 2000 level of 5,160 jobs. Because of the economic slowdown, fewer commercial construction projects are underway than normal in recent years.

Lumber & Wood Products entered another troubled period after September 11. In the first eight months of 2001, lumber prices rose, giving the industry respite from the record low prices of 2000. In August, the imposition of a 12.6 percent tariff on Canadian softwood lumber imports promised to stem the flood of subsidized Canadian lumber, which had kept lumber prices low and reduced demand for Pacific Northwest lumber. It seemed possible that the turbulence in the lumber market that began in the

Panhandle Table 1: Labor Force & Employment

	Oct 2001*	Sept 2001	Oct 2000	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	91,070	92,370	89,790	-1.4	1.4
Unemployed	6,830	7,050	7,760	-3.1	-12.0
% of Labor Force Unemployed	7.5%	7.6%	8.6%		
Total Employment	84,240	85,320	82,030	-1.3	2.7
Unadjusted					
Civilian Labor Force	90,190	92,130	88,630	-2.1	1.8
Unemployed	5,500	5,190	6,100	6.0	-9.8
% of Labor Force Unemployed	6.1%	5.6%	6.9%		
Total Employment	84,690	86,940	82,530	-2.6	2.6
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	68,700	70,390	67,750	-2.4	1.4
Goods-Producing Industries	14,220	14,750	15,010	-3.6	-5.3
Mining	640	670	1,000	-4.5	-36.0
Construction	4,930	5,220	5,160	-5.6	-4.5
Manufacturing	8,650	8,860	8,850	-2.4	-2.3
Lumber & Wood Products	4,290	4,360	4,180	-1.6	2.6
All Other Manufacturing	4,360	4,500	4,670	-3.1	-6.6
Service-Producing Industries	54,480	55,640	52,740	-2.1	3.3
Transportation	1,490	1,580	1,600	-5.7	-6.9
Communication & Utilities	1,100	1,110	1,060	-0.9	3.8
Wholesale Trade	2,130	2,150	2,280	-0.9	-6.6
Retail Trade	15,630	15,960	15,260	-2.1	2.4
Finance, Insurance & Real Estate	2,600	2,650	2,450	-1.9	6.1
Service & Miscellaneous	17,790	18,630	16,660	-4.5	6.8
Government Administration	7,870	8,180	7,640	-3.8	3.0
Government Education	5,870	5,380	5,790	9.1	1.4
* Preliminary estimate					
**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month					

spring of 2000 might end. Then, the events of September 11 exacerbated the U.S. recession, causing lumber prices to drop close to the record low levels of Fall 2000. Low prices forced several Panhandle mills to shut down for a week or more in October and November 2001. In late October, Crown Pacific closed its Coeur d'Alene mill, permanently eliminating 100 jobs. Because the closure and most of the temporary shutdowns occurred after the week of October 12, those job losses do not show up in the October statistics. The lumber industry is hoping that the recent imposition of an additional 19.3 percent tariff on softwood lumber imports from Canada will offset some of the effects of the U.S. recession on the lumber industry.

The U.S. recession continued to take a toll on the rest of the Panhandle's *Manufacturing* sector. A wide variety of manufacturing operations laid off workers in October, causing *All Other Manufacturing* to fall to 4,360 jobs—6.6 percent below the 4,670 jobs recorded in October 2000.

Reduced travel spending by businesses, tighter family budgets, and a reluctance to travel by some Americans held tourism employment below last fall's levels.

Residents of Bonner and Shoshone counties hope a good ski season will make up for some of this fall's tourism losses. Area ski hills tend to get most of their customers from the Inland Northwest (Eastern Washington, North Idaho, and Northwest Montana), so reduced air travel should not affect ski visits much. The success of the ski season mostly will depend on the weather.

Although they hoped to open for the four-day Thanksgiving weekend, the Panhandle's ski hills were not able to open until the first weekend in December. Lack of snow pack delayed the openings. Early December brought plenty of snow and the promise of a good ski season.

The Panhandle's three ski areas play critical roles in the economy as employers and as the focus of winter tourism. During ski season, Schweitzer Mountain Resort near Sandpoint employs more than 550 people, Silver Mountain in Kellogg employs 200 people, and Lookout Pass near the Idaho-Montana border along Interstate 90 employs 50 people. In addition, the ski areas bring tourists to motels, restaurants, and retail stores, offsetting some of the income and jobs lost by local economies during the winter.

AREA DEVELOPMENTS

Benewah County

- Mike Petramala and his fiancée Janet Winter opened M & J Auto Service, a full-service automotive repair shop, in Plummer this summer.

Bonner County

- Bonner County's largest manufacturer, Litehouse Dressing, recently purchased Pend Oreille Cheese Co., a cheese factory that has operated in Sandpoint for 40 years. Litehouse plans to produce the 325 tons of kosher bleu cheese that it needs each year for its salad dressings. Currently, Litehouse purchases bleu cheese from several different suppliers. In early January, a crew of six people will begin making bleu cheese. Litehouse plans to keep Pend Oreille Cheese's retail cheese and gift shop open.
- Bridge Partners, the Utah real estate development company that purchased the Stoneridge development last spring, has big plans for Stoneridge. It is spending \$3 million to improve the 18-hole golf course. By 2003, it plans to build a new 5,000-square-foot clubhouse and to improve the Stoneridge recreational facility. Over the next ten years, Bridge Partners plans to develop 500 single-family home sites and 100 condominium units around the golf course. Infrastructure work is underway, so it can start development of 150 residential lots next year. Plans also include a system of walking trails and an equestrian center. Approximately 50 homes already are located at Stoneridge, which is in Blanchard, a

small town along State Highway 41 northwest of Spirit Lake.

- Chef Chris Arlo and his sister Lisa Guscott recently opened Arlo's Ristorante, an Italian restaurant at 330 North First Avenue in Sandpoint.
- The 600 members of the Eagles in Sandpoint have decided to keep their club in downtown Sandpoint. They plan to completely remodel their building at 208 North First Avenue by early summer. North Idaho Structures of Sandpoint will act as general contractor for the remodel.
- Brandon and Laurie Beck recently opened the Body Zone at the Bonner Mall in Ponderay. The clothing store offers danceware, shoes, and black leather clothing.
- Another new business at the Bonner Mall is Curves for Women, a fitness and weight loss center owned by Susie Munson.

Kootenai County

- Two of the largest construction firms in Kootenai County closed their doors in the last few months, while a third became two separate businesses. Parrot Mechanical—a heating, plumbing, and electrical contractor—permanently closed its doors in August. Parrott employed more than 250 people at the beginning of 2001. C & R Plumbing, which employed more than 100 people, permanently closed in November. Following the death of owner Jacob Dodge, Norm's Plumbing & Heating, a 30-year-old utility construction company primarily involved with sewer and street projects, sold the company's utility-construction division to three longtime employees—David K. Johnson, Tyler W. Eberle, and Elmer D. Smith. The new company, Norm's Utility Contractors Inc., kept all 65 employees of the utility division and is located at the former Norm's Plumbing & Heating building at 5925 East Seltice Way in Post Falls. The rest of Norm's Plumbing & Heating was renamed J.B. Dodge Inc. It will focus on residential and commercial property development.

Shoshone County

- Shauna Hillman recently opened Indelible Tidbits, a one-hour color photo processing center, in Wallace.

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